



**State of Wisconsin**  
Department of Commerce

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# **2005-2009 Consolidated Plan**

## **Housing and Community Development Needs Analysis**

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# Housing and Community Development Needs Analysis

## Overview

A perspective of historical, social, and economic factors about Wisconsin's residents, families, and households is essential for identifying Wisconsin's critical housing and community development needs. Analyzing changes in population size, geographic distribution and composition along with household and family characteristics, labor force participation, income and poverty levels, racial and ethnic diversity, and the market and inventory conditions of Wisconsin housing reinforces where priorities for resource allocations continue to most critical. In addition to 2000 U.S. Census materials, 2002 and 2003 estimated projections and studies are referenced where available.

## Population Statistics

The State of Wisconsin experienced steady population growth from 1990 through 2000, when the State gained 471,946 residents (a 9.42% increase) pushed the total population to over 5.3 million. The Department of Administration (DOA) Demographic Services Center estimates the 2005 population of the State will be approximately 5.5 million with females outnumbering males by 44,908.

### Between 1990 and 2003:

Wisconsin's population growth varied geographically. Counties in the "Other Metro" comprised of 15 counties have been the fastest growth areas with 16.3% increases (see Appendix 1), followed by the "Balance of State" (13.1%) (See Appendix 2), and Milwaukee Metro (6.6%) (See Appendix 3). Dane and Waukesha counties had the largest numeric growth. Saint Croix County showed the largest percentage change with a 39.5% increase. Several counties realized net population gains of over 10,000 residents, including: Brown, Dodge, Eau Claire, Jefferson, Kenosha, La Crosse, Marathon, Ozaukee, Outagamie, Racine, Rock, Sauk, Sheboygan, St. Croix, Walworth, Washington, and Winnebago. Milwaukee County was the only county showing an absolute decline (-1.9%) in population.

The City of Madison had the largest population (numeric) increase with 17,288 (9.06%) new residents. The City of Appleton showed the second largest population increase with 13,910 (24.76%) new residents. The cities of Milwaukee and Racine respectively lost 31,114 (-4.95%) and 2,443 (-2.9%) of their residents. Appleton, Janesville, and Oshkosh were the fastest growing cities were with 24.76%, 15.30%, and 14.38 % population increases, respectively. The City of Madison showed gains of 9.06%. The City of Kenosha increased by 9,000 new residents whereas Janesville, Waukesha, and Oshkosh each increased by 7,000.

**Table 1. Counties with the Fastest Growing Population: 1990-2003 Population Increase**

Dane – Other Metro	78,168
Waukesha – Metro	66,496
Brown – Other Metro	40,066
Outagamie – Other Metro	26,937
Washington – Metro	26,601
Kenosha – Other Metro	26,053
Walworth – Non Metro	20,630
Saint Croix – Other Metro	19,870
Winnebago – Other Metro	19,857
Racine – Other Metro	16,045
Rock – Other Metro	15,078
Marathon – Other Metro	13,423
Ozaukee – Metro	11,685
Dodge – Non Metro	11,040
La Crosse – Other Metro	10,891
Sheboygan – Other Metro	10,816
Eau Claire – Other Metro	10,721
Sauk – Non Metro	10,580
Jefferson – Non Metro	10,028

Source: 1990 and 2000 U.S. Census. 2003 U.S. Census Population Estimates.

From 1990 to the 2003, Wisconsin experienced relatively small, but nonetheless significant changes in the racial and ethnic makeup of its population. While persons of color (non-White or Hispanic) represent a small portion of Wisconsin's total population, their share of the state's total population rose from 7.8% in 1990 to 11.7% in 2003. In the 2003 U.S. Census Estimates for Wisconsin, ethnic and minority populations were heavily concentrated in the Milwaukee Metro (320,126 or 21.1% of the Milwaukee Metro population), followed by the Other Metro (164,342 or 7.6% of the Other Metro population), and the Balance of State (73,009 or 4.1% of the BOS population). Racial ethnic population in two counties (Milwaukee and Menominee) exceeds 35% of the total population. Blacks, Hispanics and Asian & Pacific Islanders make up most of Wisconsin's racial ethnic population.

<b>Table 2. Population by Race</b>				
<b>Race</b>	<b>2000</b>	<b>2003</b>	<b>Change</b>	<b>% Chg</b>
Total Population	5,363,675	5,316,215	-47,460	-0.9%
White	4,769,857	4,692,709	-77,148	-1.6%
White Hispanic	151,737	190,777	39,040	25.7%
Black	304,460	303,396	-1,064	-0.3%
American Indian	47,228	30,906	-16,322	-34.6%
Asian & Pacific Islander	90,393	98,427	8,034	8.9%

Source: 1990 and 2000 U.S. Census. 2003 U.S. Census Population Estimates.

The age composition of the State's population changed significantly between 1990 and 2003. Changes included:

- A decrease of 22,665 (-6.28%) residents from 0 and 4 years of age;
- An increase of 33,112 (3.07%) residents in the 5 to 19 age group;
- A decrease of 136,320 (-11.50%) of young adults between the ages of 20 and 34;
- An significant increase of 516,355 (36.67%) adults between 35 and 59 years of age; and
- An increase of 33,964 (3.34%) adults 60 years and over.

The life expectancy in the United States has increased for all races. According to the Center of Disease Control and Prevention, the life expectancy for all races and both sexes in 2002 was 77.3 years of age, with the average life span of a female at 79.9 years and the male at 74.5 years.

## **Incomes – Poverty**

With respect to relative household incomes, in 2000 about 42.9% of the total number of Wisconsin households had incomes below the 80% Median Family Income (MFI) limit. The prevalence of lower-income households was more pronounced in the Other Metro (16.2%), compared to the Balance of State (13.8%), and Milwaukee Metro (12.9%). (See Tables in Appendix 4-6).

Rusk County had the highest share of low-income households (47.8%); Outagamie had the lowest share of low-income households (37.5%).

According to the U.S. Census Bureau, 451,538 Wisconsin residents (8.7%) fell below the poverty threshold in 1999, a significant decrease from 508,545 (10.5%) in 1989. However, this figure climbed back to 528,000 (9.8%) in the 2003 estimate (2003 estimates not available by counties).

Significantly, poverty among children (under 18 years) has followed the same pattern. A total of 150,166 (11.2%) children under the age of 18 lived below the poverty level in 2000, a decline from 188,863 (14.9%) in 1990. However, in 2003, the U.S. Census Bureau estimates that the number of children living below the poverty level increased to 187,000.

Table 3 details the counties with the highest poverty percentages according to the U.S. Census Bureau for 1989 and 1999 for all ages. Generally, the counties with the highest percentage of residents in poverty are located in the non-metropolitan areas.

<b>Table 3: Poverty Rate by County</b>		
<b>Counties</b>	<b>1989<sup>ii</sup></b>	<b>1999<sup>iii</sup></b>
Menominee	45.24	28.80
Forest	20.26	13.09
Sawyer	20.13	12.66
Bayfield	15.90	12.52
Milwaukee	15.88	15.26
Rusk	15.69	11.77
Dunn	15.34	12.91
Eau Claire	15.22	10.87
Vernon	15.04	14.23
Burnett	14.96	8.82
Ashland	14.89	11.92
Washburn	14.85	9.88
Douglas	14.42	10.99
Jackson	14.22	9.60
Vilas	14.14	8.00

Source: 1990 and 2000 U.S. Census

## **Educational Attainment**

Educational attainment is a measure based on the highest level of schooling completed by an individual aged 25 or older.

In Wisconsin, the number of adults who have not graduated from high school, declined between 1990 and 2000, from 21% to 15%. This is primarily due to two factors. First, very elderly residents in 1990 being lost to the Wisconsin population by 2000 through death or migration to another state.

These very elderly residents had a fairly low rate of high school graduation.

Second, these elderly loses were

replaced by young people who passed their 25<sup>th</sup> birthday between 1990 and 2000 – and have a much higher rate of high school graduation.

<b>WI Educational Attainment - Persons 25 &amp; Older</b>		
	<b>1990</b>	<b>2000</b>
No High School Diploma	21%	14%
High School Diploma or Equivalent	37%	32%
Some College, No Degree	17%	26%
Associate Degree	7%	7%
Bachelor's Degree	12%	14%
Graduate of Professional Degree	6%	7%

Source: U.S. Census Bureau, Decennial Census Population, 1990 & 2000

Wisconsinites with a high school education (but no further schooling) have also declined as more high school graduates continued their education. The share of those who completed a college degree also increased from 18% in 1990 to 22% in 2000.

Compared to the national average, Wisconsin in 2000 had a lower proportion of its adult population who had not completed high school. However, it also had a lower proportion of adults with a college degree compared to the national average and Minnesota and Illinois.

<b>Educational Attainment - 25 &amp; Older - Midwest States</b>						
	<b>WI</b>	<b>IL</b>	<b>Iowa</b>	<b>MI</b>	<b>MN</b>	<b>U.S.</b>
No High School Diploma	14%	19%	14%	17%	12%	20%
High School Diploma	36%	28%	36%	31%	29%	29%
Some College	28%	28%	29%	30%	32%	27%
College Degree	22%	25%	21%	22%	27%	24%

Source: U.S. Census Bureau, Decennial Census Population, 2000

## Housing Stock

In 2000, the U.S. Census Bureau reported that 2,321,144 housing units were located in Wisconsin, compared to 2,055,774 in 1990. This was an increase of 12.9%, (265,370 units) over 10 years, averaging 26,537 units per year. Between 1980 and 1990, the State's housing stock increased by only 191,877 units, and between 1970 and 1980, in comparison, the State's housing stock grew by 338,959 units.

## Housing Needs

To determine how many of the low and very low-income households are in need of some type of housing assistance, the types of housing problems must be identified. Four types of housing problems were used to calculate the number of very low, other low, and moderate-income households in need of housing assistance and how these specific problems can present cost burdens or severe cost burdens for renters and homeowners. A household may experience one or more of these problems:

1. Households occupying housing units that lack one or more plumbing facilities (deficient plumbing).
2. Households with more than one resident per room (overcrowding).
3. Renter/owner households paying more than 30% of their income for rent/mortgage (cost burden).
4. Housing built prior to 1950 in need of rehabilitation.

## Variable 1. Housing Quality

### Housing Problems

Of the total number of housing units, 1.4% lacked plumbing<sup>iv</sup> facilities and 1.5% lacked kitchen<sup>v</sup> facilities. This first variable is not a very good indicator of overall physical defects, which may include: roofing/siding problems, structural problems, lack of insulation, etc. These types of problems tend to increase with the age of housing.

In 2000, the U.S. Census Bureau reported that 211,912 households had an income at or below 30% of MFI. These households were the group primarily affected by housing problems<sup>vi</sup> where 74.7% of the renters and 77.1% of the owners had housing problems. In these households where income fell between 30 and 50% of MFI, 61.3% of renters and 47.2% of owners had housing problems. Finally, for households with an income between 50 and 80% of MFI, 21.3% of renters

and 32.8% of owners have housing problems. Overall, 1 out of every 4 households had housing problems in the State.

<b>Table 4. Households, Income Groups, and Any Housing Problems by Tenure in 2000</b>						
	<b>Total Renters</b>		<b>Total Owners</b>		<b>Total</b>	
<b>Income Groups</b>	<b>Households</b>	<b>% Housing Problems</b>	<b>Households</b>	<b>% Housing Problems</b>	<b>Households</b>	<b>% Housing Problems</b>
≤30% MFI	138,994	74.7	72,918	77.1	211,912	75.6
>30 to ≤50% MFI	118,780	61.3	113,023	47.2	231,803	54.4
>50 to ≤80% MFI	165,383	21.3	237,722	32.8	403,105	28.1
>80% MFI	234,495	5.6	1,002,989	9.3	1,237,484	8.6
Total	657,652	34.2	1,426,652	19.7	2,084,304	24.3

Source: SOCDs CHAS Data: Housing Problems Output for All Households, 2000.

The Milwaukee Metro and Other Metro categories had a higher incidence of housing problems and cost burden for households with income ≤30% of the MFI as indicated by Table 5. The Balance of State had lower housing problems and cost burden for both renters and owners (see complete Tables in Appendix 7-7g).

<b>Table 5: Housing Problems and Cost Burden for Households with Income ≤ 30% MFI in 2000</b>				
<b>Tenure</b>	<b>Renters</b>		<b>Owners</b>	
<b>Location</b>	<b>Housing Problems</b>	<b>Cost Burden</b>	<b>Housing Problems</b>	<b>Cost Burden</b>
Milwaukee Metro	77.6	75.4	80.8	79.9
Other Metro	77.7	76.2	78.2	77.6
Balance of State	65.4	63.2	60.4	59.7

Source: SOCDs CHAS Data: Housing Problems Output for All Households, 2000.

Minority rental and owner households in 2000 had a tendency to have higher incidences of housing problems than White non-Hispanic households. For renters, very low income Hispanic and Black non-Hispanic households had higher incidences of housing problems. For owners, very low income Asian and Hispanic households, had higher incidences of housing problems.

<b>Table 6. Percentages of Housing Problems By Race in 2000: Households with Income ≤ 30% of MFI</b>		
<b>Race</b>	<b>Renters</b>	<b>Owners</b>
White	72.4	76.8
Black	80.4	79.2
Hispanic	82.8	81.3
Native American	70.3	77.5
Asian	78.7	88.0

Source: SOCDs CHAS Data: Housing Problems Output for All Households, 2000.

In terms of geographic distribution, housing problems were more prevalent in major metropolitan areas. Table 7 shows that Dane County had the highest share of housing problems and cost burden. Adams, Ashland, and Forest counties had the lowest share of housing problems and cost burden.

<b>Table 7. Housing Problems and Cost Burden by County in Wisconsin in 2000 for Households with Income ≤30% of MFI</b>						
<b>County</b>	<b>Renters</b>			<b>Owners</b>		
	% of Households with any Housing Problems	% of Households with Cost Burden >30%	% of Households with Cost Burden > 50%	% of Households with any Housing Problems	% of Households with Cost Burden >30%	% of Households with Cost Burden >50%
Dane	85.1	83.1	67.1	85.7	85.5	60.9
Brown	79.4	78.3	56.2	77.0	76.7	49.7
Eau Claire	79.0	77.4	56.6	79.5	76.8	49.0
La Crosse	78.8	76.9	53.5	76.1	75.8	47.0
Milwaukee	78.3	75.9	56.6	80.2	79.1	55.7
Portage	77.4	76.5	54.7	68.8	65.6	38.3
Racine	76.6	75.1	53.7	83.1	82.9	53.6
Marathon	75.5	73.8	45.5	73.1	71.9	39.9
Walworth	74.8	74.1	56.8	82.0	80.4	60.2
Winnebago	74.8	74.2	49.8	74.9	74.9	48.9
Pierce	74.0	72.0	49.0	76.8	76.2	43.4
Washington	73.5	73.5	58.4	79.2	79.2	54.7
Waukesha	72.9	72.0	59.3	82.8	82.3	59.3
Kenosha	72.7	72.2	57.4	80.9	80.7	57.7
Fond du Lac	72.2	71.0	46.1	74.7	73.8	48.4
<b>Wisconsin</b>	74.7	72.9	53.2	77.1	75.9	50.1

Source: SOCDs CHAS Data: Housing Problems Output for All Households, 2000.

## Age of Housing

Generally, the overall age of housing stock can be considered when determining housing quality, although interpretation must be done carefully. Excessive age of housing increases the incidence of substandard of housing stock, including poor structural condition, structural defects (roofs, windows, siding, insulation, wiring), lack of complete plumbing facilities, and poor heating systems. Updating and maintaining older housing provides sound housing for the future. However, the cost of substantial maintenance or home improvements exceeds the means for many low-income owners.

In 2000, out of the 2,321,144 housing units in Wisconsin, 31% were built before 1950 (see complete Table in Appendix 8). A higher percentage of the pre-1950 housing was located in the Balance of State (39.3%), with 33.3% in the Other Metro and 27.5% in Milwaukee Metro. Counties with particularly high percentages of old housing (built before 1950) included Lafayette County (53%), Clark (47%), Richland (46%), Buffalo (46%), Iowa (44%), Douglas (44%), Pepin (44%), Ashland (43%), and Vernon (42%). Menominee County has the smallest percentage share of older housing in the State (8%).

## Housing Growth

Building activity steadily increased for the State between 1990 and 2003. Strong growth in 1998 and 2003 (35,436 and 40,884 permits, respectively) were issued according to the U.S. Bureau of Census.



Between 1990 and 2000:

- 265,370 housing units were added to the State housing stock
- Housing stock growth was highest in the Other Metro with 16.9% growth, followed by the Balance of State at 11.2% and Milwaukee Metro at 10.0%.
- Nine counties had greater than 20% growth in their housing stock, including: Washington (33.2%), St. Croix (31.0%), Waukesha (27.0%), Calumet (26.4%), Dane (22.0%), Ozaukee (21.0%), Brown (20.7%), Outagamie (20.6%), and Menominee (20.4%)
- Nine counties accounted for over 50% of the total housing units added, including: Dane (32,547), Waukesha (29,857 units), Brown (15,459 units), Washington (11,426 units), Outagamie (10,691 units), Milwaukee (9,378 units), Kenosha (8,727 units), Winnebago (8,598 units), and Racine (7,773 units).
- Two counties, Douglas and Rusk lost housing units (254 and 295, respectively). (see Table in Appendix 9).

## Housing Vacancy in the Fair Market

According to the U.S. Department of Housing and Urban Development (HUD), an overall available vacancy rate of 3.0% (1.5% for the owned portion of the housing stock and 5.0% for the rental

portion) is considered adequate to allow for housing choice among consumers. It should be noted that in Table 8, the high vacancy housing rate in Wisconsin is mainly due to seasonal, recreational, or occasional use housing units, which represented a significant share of the State vacant housing units.

Table 8. Vacancy Status in Wisconsin 1990-2003 <sup>vii</sup>				
Year	1990	2000	2002	2003
Total Housing Units	2,055,774	2,321,144	2,386,848	2,417,364
Vacant Housing Units	233,656	236,600	244,203	258,281
Vacancy Rate	11.4%	10.2%	10.2%	10.7%

Source: 1990 and 2000 U.S. Census. 2002 and 2003 U.S. Census Population Estimates.

## Variable 2. Overcrowding

The overcrowding indicator (more than one person per room) is insignificant in terms of introducing any geographic differentiation, since typically 1 to 2% of the housing units in every county (rural or urban) are “overcrowded.”

Over the past decade, overcrowding rates increased for renter-occupied rooms in several counties in the State. According to the 2000 U.S. Census, the percentage of overcrowded<sup>viii</sup> rooms was highest in Menominee County (19%), with Iron County showing the least (0.3%). Severe renter-occupied overcrowding was a concern in major metropolitan areas of the State (Milwaukee, Racine, Brown, Walworth, Kenosha, Dane, and Adams counties).

Table 9. Overcrowding Rates in 1990 and 2000 by County				
County	1990		2000	
	Renters	Owners	Renters	Owners
Menominee	17.2	13.8	19.0	9.6
Milwaukee	4.9	1.6	6.6	2.0
Racine	4.3	1.5	6.3	1.4
Brown	3.4	1.1	5.9	1.1
Walworth	4.4	1.2	5.7	1.5
Kenosha	5.1	1.7	5.5	1.8
Dane	4.2	0.7	5.5	0.9
Adams	3.8	1.7	5.3	2.1

Source: 1990 and 2000 U.S. Census.

## Variable 3. Affordability

### Cost Burden >30%

Housing costs are the primary cause of concern for the lowest income groups, with physical deficiencies and overcrowding being of secondary importance. For those households at  $\leq 30\%$  of the MFI, 72.9% of the renter households and 75.9% of the owner had housing cost burden >30% (i.e., paid >30% of their gross income on housing), thus leaving them with less to spend on other needs. The incidence of cost burden is higher among renters than among owners. For households with income at 30 to 50% of the MFI, 56.9% of renters and 45.5% of owners had cost burden >30%. Households 50 to 80% of the MFI had fewer households with cost burden >30%. As could be expected, the poorest households had higher housing cost burdens than households with higher incomes. As Table 10 indicates, for almost half of the households with income  $\leq 80\%$  of MFI, housing cost burden exceeds 30% of their income.

<b>Table 10. Households, Income Groups, and Cost Burden &gt; 30% for Households <math>\leq 80\%</math> MFI</b>						
	<b>Renters</b>		<b>Owners</b>		<b>Total</b>	
<b>Income Groups</b>	<b>Total Households</b>	<b>% Households with CB &gt;30%</b>	<b>Total Households</b>	<b>% Households with CB &gt;30%</b>	<b>Total Households</b>	<b>% Households with CB &gt;30%</b>
$\leq 30\%$ MFI	138,994	72.9	72,918	75.9	211,912	73.9
>30 to $\leq 50\%$ MFI	118,780	56.9	113,023	45.5	231,803	51.4
>50 to $\leq 80\%$ MFI	165,383	15.9	237,722	30.8	403,105	24.7
<b>Total</b>	<b>423,157</b>	<b>46.13</b>	<b>423,663</b>	<b>42.5</b>	<b>846,820</b>	<b>44.3</b>

Source: SOCDs CHAS Data: Housing Problems Output for All Households, 2000.

Table 7 indicates that extremely low-income households have particularly high incidence of cost burden in the metropolitan counties. Dane County had the highest incidence of cost burden for renter-occupants (83.1%), with Forest County showing the least (42.3%). Ozaukee County had the highest incidence of cost burden for owner-occupants (86.0%), with Wood County showing the least cost burden (see complete Table in Appendix 7-7g).

For very low-income households ( $\leq 30\%$  of the MFI), owners as a group in all geographic areas tend to have considerably more housing problems than renters. In terms of a general comparison between the renter and owner groups, housing problems seemed to be equally distributed in the rural counties (slightly higher incidence among owners). In the Milwaukee Metro area, however, housing problems fall primarily on renter households, with percentages reaching as high as 94.81% in the large related-renter households (5 or more members).

Among the renter population, 81.3% of small households (2-4 members) and 82.0% of large households had cost burden >30%. On the owner side, 80.5% of small households and 81.0% of large households had cost burden >30%. Elderly households (ages 65 and older) are generally better off than non-elderly in the renter category and slightly better off in the owner categories.

<b>Table 11. Cost Burden &gt;30% in Households at <math>\leq 30\%</math> MFI</b>		
<b>Tenure</b>	<b>Renters</b>	<b>Owners</b>
<b>Households Types</b>	<b>Cost Burden &gt;30%</b>	<b>Cost Burden &gt;30%</b>
Elderly (1-2 members)	56.1	73.6
Small (2-4 members)	81.3	80.5
Large (5 or more)	82.0	81.0
<b>Total Households</b>	<b>72.9</b>	<b>75.9</b>

Source: SOCDs CHAS Data: Housing Problems Output for All Households, 2000.

Affordability is an essential issue for the majority of households  $\leq 30\%$  of MFI because households in this income group are unable either to afford market rent or to keep up with escalating housing costs such as property taxes and utilities and maintenance costs. This income group is at greater risk of losing their housing.

### Severe Cost Burden >50%

Statewide, for households with income between 30% and 80% of MFI, 46.0% of the renter households (41,593) and 31.4% of the owner households (24,413) had a housing cost burden >50%. Counties showing severe cost burden include Dane, Brown, Eau Claire, Kenosha, Milwaukee, Ozaukee, Walworth, Washington, and Waukesha counties. Iron and Menominee counties showed the least share of households with severe cost burden.

### Market Conditions

According to the National Association of Realtors (NAR), Wisconsin's residential market remains healthy with residential permits growing at a steady pace. Existing home sales, along with housing prices continued to rise. Despite price appreciation, affordability in Wisconsin still exceeds the national average. The NAR predicts that over the long run the fast pace of construction will slow as residential construction outpaces household formation in the State.

The housing construction industry is important to Wisconsin's economy because of the ripple effect it has on the rest of the State's economy. Wisconsin has a number of industries involved in housing production, including building materials manufacturers, producers of building equipment and components, and manufacturers of modular or prefabricated housing units. A strong housing construction industry is not only needed to house people but also to provide jobs.

"Tenure" within the housing stock indicates the proportion that is owner-occupied and the proportion that is renter-occupied. According to the U.S. Census Bureau, a housing unit is owner-occupied if the owner or co-owner lives in the unit, even if the unit is mortgaged or not fully paid for. All other occupied housing units are classified as renter-occupied.

The State's total occupied housing units increased by 262,426<sup>x</sup> between 1990 and 2000. According to the most recent CHAS data, of the occupied units, 68.6% are owner occupied and 31.4% are renter occupied. The White, non-Hispanic owner occupancy rate is 71.7% (1,354,475 units) and the rental occupancy rate is 28.3% (534,320 units). The owner versus renter occupancies ratio is almost the opposite for the remaining

<b>Rental vs. Owner Occupancy By Race-Ethnicity</b>					
<b>Race-Ethnicity</b>	<b>Renter</b>	<b>Owner</b>	<b>Total</b>	<b>% Rental Occupied</b>	<b>% Owner Occupied</b>
Black Non-Hispanic	65,544	31,600	97,144	67.5%	32.5%
Hispanic	30,130	18,210	48,340	62.3%	37.7%
Native American Non-Hispanic	7,860	7,240	15,100	52.1%	47.9%
Asian Non-Hispanic	12,355	8,730	21,085	58.6%	41.4%
Pacific Islander Non-Hispanic	93	157	250	37.2%	62.8%
<b>Subtotal</b>	<b>115,982</b>	<b>65,937</b>	<b>181,919</b>	<b>63.8%</b>	<b>36.2%</b>
White Non-Hispanic	534,320	1,354,475	1,888,795	28.3%	71.7%
<b>Total</b>	<b>650,302</b>	<b>1,420,412</b>	<b>2,070,714</b>	<b>31.4%</b>	<b>68.6%</b>

occupied units (36.2% owner vs. 63.8% renter). Only the small segment of households that are classified as Pacific Islander, non-Hispanic had a larger percent of owner occupied than rental occupied.

Household make-up varies. Some households are identified as traditional families; others are composed of a single individual or a group of unrelated individuals; and others are a combination of families or a family and individuals. Regardless of its composition, the household – rather than the family – is the unit of demand for housing. In 1980, 73.1% of all households within the State were composed of traditional family units. By 1990, it dropped to 70.0% and in 2000 it declined to 66.5% of the total households. One or more unrelated individuals make up the remaining households.

Household size is a primary factor that must be considered when determining existing and future housing demand. As households change in size, so do their housing requirements. In 2000, Wisconsin had an average household size of 2.50 persons, a decline from 2.77 in 1980 and 2.61 in 1990. The average number of residents per household in 2000 for the United States was 2.59.

The largest category of households was persons 35 to 44 years of age, followed closely by those 65 years of age and older (see Table 12).

<b>Table 12. Households Per Age of Householder in 2000</b>						
Total Households	15-24 Years	25-34 Years	35-44 Years	45-54 Years	55-64 Years	65 Years and Over
2,084,544	121,093	349,975	477,146	419,359	268,480	448,491

Source: 2000 U.S. Census

Household income is a prime factor in the type of housing a household selects. From 1990 to 2000, median income increased by \$14,349 with the State median income exceeding the national median by \$1,797. The \$52,911 median family income for a four-person family in Wisconsin is over 5% higher than the \$50,046 national average. In 2000, the metropolitan median household income was \$6,847 higher than the non-metropolitan median household income.

<b>Table 13. Median Household Income</b>		
Year	1990	2000
Wisconsin	\$29,442	\$43,791
United States	\$30,056	\$41,994

Source: 1990 and 2000 U.S. Census.

According to the U.S. Census Bureau, the median market value of a single-family home in Wisconsin has progressively increased from \$17,300 in 1970, to \$48,600 in 1980, \$62,500 in 1990, and \$112,200 in 2000. The 2003 American Community Survey estimated the median market value of a single-family home was \$131,908.

Based on the 2000 U.S. Census data, 36.85% of the housing units in Wisconsin were located in the Other Metro, 36.52% in the Balance of State, and 26.64% in the Milwaukee Metro counties. Metropolitan counties house a much larger share of the population than the non-metropolitan counties. This increased pressure on the urban housing markets, is also reflected in the vacancy rates.

As the number of households in an area increases, so must the number of housing units. For a housing market to run efficiently, it must produce enough housing units of various types to accommodate household growth, ensure an adequate vacancy rate, and replace older housing

units that are removed from the housing stock. Thus, a housing market must meet both existing and future demand. When housing production does not meet demand, the vacancy rate drops, the overall cost of housing could increase rapidly, and some families may be forced to double up. This situation is especially difficult for low- to moderate-income households entering the housing market. The cost of construction, the cost of financing, the availability of land, and local development regulations primarily affect housing production.

Wisconsin households continue to face a growing shortage of affordable housing. Housing and housing-related expenses, utilities and upkeep continue to take not only the largest part of most families' income but also a greater percentage of their income. When low- and moderate-income households pay more than 30% of their income for housing costs, they are more likely to have to choose between food, health care, transportation, child care, and other critical needs.

The UW Extension publication, *Wisconsin Families and the Communities Where They Live 2004*, notes that:

- In the last decade, the cost of housing has consistently outpaced inflation. Between 1995 and 2002 the average sale price of homes sold in Wisconsin rose 44.6 % while the Consumer Price Index climbed by 17.8%. This means that Wisconsin home prices rose at more than twice the rate of other expenses.
- Citing the 2001 Consumer Expenditure Survey for Midwest consumer spending, households with annual incomes from \$20,000 to \$30,000 spent 38.9% of their income on housing while households with annual incomes between \$50,000 to \$70,000 spent 26.1% of their income on housing.
- Citing a 2002 Economic Policy Institute and Center on Budget and Policy Priorities report, *Pulling Apart*, while housing costs have been increasing for everyone, incomes have not. From 1990 to 2003, incomes of households in the top fifth of the income range (81 to 100 percent) rose 30 percent, incomes of households in the second from the bottom fifth (21 to 40 percent) rose only 8 percent, and incomes for households earning the least (bottom 20 percent) rose only 2 percent.
- With housing costs rising and incomes for low- and moderate-income households stagnating, more families will risk becoming homeless.
- People who cannot afford adequate housing usually are long-time residents who grew up in the community. They may work in jobs where prevailing wages are less than the "housing wage" such as in retail, healthcare, child care, schools or factories. Others who need affordable housing may be retired or disabled on fixed incomes.

A unit is considered affordable if costs do not exceed 30% of the renter's income. If a person is low-income, receiving a Temporary Assistance for Needy Family (TANF) grant, earning minimum wage, and/or receiving a Social Security benefit, maintaining the cost of housing and utilities on a monthly basis is difficult. The same study states that an extremely low-income household earning 30% of the MFI of \$44,084<sup>ix</sup> for Wisconsin can afford a monthly rent of no more than \$331. In addition, a minimum wage earner making \$10,712 annually can afford monthly rent of no more than \$267.80. An individual living on Social Security benefits also has a difficult time affording housing. The maximum affordable housing cost per month for an independent individual receiving Social Security earning the maximum benefit is \$170.

## Housing Assistance Agencies

Two federal agencies, HUD and the U.S. Department of Agriculture, Rural Housing, have primary responsibility for providing rental housing assistance to lower-income households. At the State level, WHEDA is a key provider with its Low Income Housing Tax Credit Program and multi-family mortgage bonding programs; and the Department of Commerce provides housing assistance for low- and moderate-income households, as well as rehabilitation assistance and first time home buyer assistance. These agencies offer a variety of assistance to stimulate the production, rehabilitation, and availability of affordable rental housing for lower-income households.

Every county in Wisconsin has some assisted rental housing units with six counties (Brown, Dane, Kenosha, Milwaukee, Racine, and Rock) containing almost one-half of these units. At the State level, 80,927 units were federally assisted rental units; 41,582 of these units were elderly rentals, 29,687 were family rentals, and 3,516 were disabled rentals.

<b>Table 15. Wisconsin Federally Assisted Rental Housing Inventory: Program Totals for Wisconsin, 2004<sup>x</sup></b>		
<b>Programs</b>	<b>Units</b>	<b>Definitions</b>
221D3	3,120	Privately owned projects with either below-market interest rate loans or market rate loans with a subsidy to the tenants provided by HUD
LIPH	13,422	Low-income Public Housing: Public Housing Authority owned and operated. HUD-assisted for debt service and operations.
Others	385	Others
S/202	4,825	Section 202: HUD provides a direct loan to nonprofit organizations for project development and rent subsidy for low-income tenants. Several Section 202 units are designed for physically handicapped, developmentally disabled, and chronically mentally ill residents.
S/236	5,682	Section 236: HUD provides assistance to the owner to reduce the costs for the tenant by paying most of the interest on a market rate mortgage. Additional rental subsidy may be provided to the tenant.
S/515	11,242	Section 515(I.C.): Rural Economic Community Development Services (RECDs) provides below-market rate loans to owners to reduce costs to tenants. Additional rental subsidy may be provided.
S202	80	Others
S8/EX	10,878	Section 8 Existing: Existing units are selected by the tenant and HUD provides a subsidy to the owner for the difference between tenant's ability to pay <sup>xi</sup> and the contract rent.
S8/MR	1,534	Section 8 Rehabilitation: Existing units are selected by the tenant and HUD provides a subsidy to the owner for the difference between tenant's ability to pay and the contract rent.
S8/NC	20,374	Section 8 New Construction and Substantial Rehabilitation: HUD provides a rent subsidy to the owner for the difference between tenant's ability to pay and the contract rent.
S8/VR	9,385	Section 8 Voucher: Existing units are selected by the tenant and HUD provides a subsidy to the owner for the difference between tenant's ability to pay and the contract rent.
Total Units	80,927	

**Source:** 2004 Wisconsin Federally Assisted Rental Housing Inventory Projects by County in Wisconsin, WHEDA.

At the end of 2004, 24,907 units of privately owned affordable rental housing are “at risk” over the next 3 years of being converted to market rate rental or condominium housing. If no action is taken, some percentage of this now affordable housing portfolio is likely to be converted to non-low-income uses.

Conversion of these units from affordable, subsidized units to market rate rentals could be a catastrophic occurrence for many very low- to moderate-income family, special needs, and elderly households currently residing in these units.

<b>Table 16. Wisconsin Privately Owned Affordable Rental Units at Risk<sup>xii</sup></b>					
<b>Region</b>	<b>Elderly Units</b>	<b>Family Units</b>	<b>Special Needs Units</b>	<b>Mixed Units</b>	<b>Total Units</b>
Central	1,029	1,123	89	16	2,257
East Central	1,891	633	16	8	2,548
Milwaukee	3,909	2,309	434	0	6,652
Northern	1,662	696	21	76	2,455
South Central	2,530	2,658	55	16	5,259
Southeast	1,756	1,033	5	0	2,794
West Central	1,675	627	118	48	2,468
Scattered	398	76	0	0	474
<b>Total</b>	<b>14,850</b>	<b>9,155</b>	<b>738</b>	<b>164</b>	<b>24,907</b>

Source: WHEDA, 2004.

On the homeowner side, the homeownership rate in Wisconsin at all income levels and within all races has increased from 66.70% in 1990 to 69.12% in 2003, slightly higher than the 68.30% national average. According to *The State of the Nation's Housing in 2004*<sup>xiii</sup> and despite job losses in the rest of the economy, housing had another record-breaking year in 2003, nationwide. With interest rates near 45-year lows, home sales, single-family housing starts, residential fixed investment, homeownership rates, mortgage originations, refinances, and home prices all reached new peaks.

Homeownership represents an important social and economic goal. Increasing participation in homebuyer special needs programs sponsored by local lenders, secondary financial markets, and consortiums of non-profit agencies makes accessing down payment, closing costs, and long-term mortgage financing easier. The availability of pre-purchase housing counseling is also a positive factor in allowing low-income households to enter the home-buyer market and retain their homeownership status.

Nonetheless, recent evidence indicates that shifts in demographic trends (such as, postponement of marriage and family) may be contributing to a slow down in homeownership rates. The growing number of single-person households and a desire for more free time are two important factors affecting the housing preferences of the home-buying population. Changes in the housing preferences of the home-buying population cause a ripple effect that impacts the entire housing market, both rental and owner-occupied.

<b>Table 17. % Homeownership Rates: 1940-2001<sup>xiv</sup></b>							
<b>Year</b>	<b>1940</b>	<b>1950</b>	<b>1960</b>	<b>1970</b>	<b>1980</b>	<b>1990</b>	<b>2001</b>
United States	44	55	62	63	64	64	68
Wisconsin	54	64	69	69	68	67	72
Illinois	40	50	58	59	63	64	69
Michigan	55	68	74	74	73	71	77

Source: U.S. Census Bureau, “Historical Tables from the Housing Census.”

Nationwide, minority households have contributed to over 40% of the recent homebuyer growth. However, minority households make up less than 20% of all homeowners. In 2000, minority households accounted for 30% of first-time homebuyers, up from 19% in 1985. A key factor in

this disparity nationally is education and its return in the labor market. For minorities, the likelihood of becoming a homeowner increases substantially with the completion of a bachelor's degree.

However, even young, married, college-educated minorities have lower homeownership rates than high school educated Whites, mostly due to median wage differences. In Wisconsin, minority homeownership rates lag..

<b>Table 18. WI Homeownership Rate Total and By Race</b>						
<b>Year</b>	<b>1990</b>		<b>2000</b>		<b>2003</b>	
<b>Race</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>	<b>Number</b>	<b>%</b>
All Races	1,215,350	66.70	1,426,660	68.44	1,492,328	69.12
White	1,180,437	97.00	1,364,312	95.50	1,416,595	94.91
Black	22,758	1.87	31,765	2.22	34,802	2.33
Native Americans	4,936	0.41	7,517	0.53	5,057	0.34
Asian	3,861	0.32	8,757	0.61	13,517	0.91
Other Race	3,358	0.28	14,309	1.00	22,357	1.50

Source: 1990 and 2000 U.S. Census. 2003 U.S. Census Estimates.

Housing prices are going up, as are the number of homeowners. The median price of an existing single-family home in Wisconsin in 2003 was \$131,908, a 7.9% increase over a 12-month period in 2002 of \$122,259. The United States had an overall 7.6% increase in the median price to \$147,275. While current property owners clearly benefit from this price inflation, prospective homebuyers must come up with more money to make even a small down payment, while renters have to shoulder mounting housing costs.

## Specific Housing Programs and Target Populations

### WHEDA

The administrative plan for administering Section 8 from WHEDA requires that voucher agents weigh all federal preferences equally, and that no local preferences are given. Although a top priority is still to provide funding for the lowest income and most needy households in Wisconsin, priority is based exclusively on time and date of applications received. As part of the Low Income Housing Tax Credit (LIHTC) program, WHEDA gives preference to projects serving the lowest income tenants and projects committed to serving qualified tenants for the longest period. Other criteria is included as deemed appropriate through the Qualified Application Plan.

### Elderly Persons

Although some elderly people need support services, many have other basic housing needs, foremost of which is affordability. As the general population of Wisconsin ages, affordability, security, accessibility, and proximity to services such as transportation, food, and medical facilities will all become key housing needs for the elderly. For those who are physically capable, remaining in their own home contributes to a sense of independence and security. The physical accessibility visitability and availability of housing continue to be key requirements for seniors,.

### Persons with Disabilities

The Department of Health and Family Services projects that the number of people in Wisconsin with physical disabilities will grow from 354,722 in 2005 to 373,654 in 2010. The number of persons with a sensory disability will grow from 154,733 in 2005 to 163,210 in 2010. People



with disabilities often have additional severe cost burdens placed on them for housing. Key housing needs for people with disabilities is not only affordability, but also accessible housing that is barrier free in design and integrated into the surrounding community. As with the elderly, access to transportation, health care and other public and private facilities and services are important factors when weighing various housing options. Financing for housing rehabilitation and modification to allow persons with disabilities to function independently or make homes accessible will continue to be a critical need.

## **Homeless Persons**

### **A Profile**

A diversity of social and economic backgrounds exists among the Wisconsin homeless population. In general, commonalities are the lack of financial resources for basic living expenses and the loss of optimism and self esteem. Overall, homelessness is more prevalent and/or visible in the State's cities, compared with less populated areas. However, the number of homeless individuals and families in rural Wisconsin continues to increase each year. Non-metropolitan areas with fewer supportive services and often no emergency shelter facilities face a considerable challenge to reduce homelessness. In short, the diversity of the homeless population within varying geographic areas across the State calls for a range of alternatives to meet housing and related needs.

The number of homeless individuals and families in Wisconsin has increased annually. The 2004 estimate of the total number of homeless individuals in the State is approximately 34,000,<sup>xv</sup> not including individuals at risk of homelessness. Many individuals and families without their own housing are not officially counted as homeless because they temporarily live with friends or relatives due to economic necessity. A detailed description of shelter providers, the data collection process, and the categories of people served are provided in the following section.

### **Shelter Programs and Data Collection**

On an ongoing basis, the State of Wisconsin, Department of Commerce, Division of Community Development, Bureau of Housing,<sup>xvi</sup> provides an inventory of housing and services through a web-based program: WIFrontDoor/WIFrontDoorHousing. WIFrontDoor is a database that is available to anyone with Internet access. WIFrontDoor has two sections. First, it provides a statewide directory of Wisconsin affordable housing units available for low- to moderate-income households. Second, it lists community social services offered throughout Wisconsin, including rental assistance, emergency shelter, eviction prevention, and similar services. The community services and housing data is accessible through on-screen search locators. Educational information on housing in Wisconsin is also provided.

### **Projects to Aid in the Transition from Homelessness (PATH)**

The State receives funding for individuals who have a serious mental illness under the McKinney Act of 1988. The title for this funding is "Projects to Aid in the Transition from Homelessness" or PATH.

In FFY 2004, the eleven counties that received PATH funds were Brown, Dane, Douglas, Eau Claire, Fond du Lac, Kenosha, La Crosse, Milwaukee, Outagamie, Racine, and Rock. PATH-supported services include outreach, screening and diagnostic treatment, rehabilitation, community mental health, alcohol and drug treatment, staff training, case management, supportive and supervisory services in residential settings, referrals, and housing services as allowable. The total federal PATH allocation for fiscal year 2004 was \$640,000. The State of Wisconsin provided \$45,000 as match, and this was awarded to the counties. The recipient counties provided an additional \$546,815 as match.

### Wisconsin Emergency Shelter and Homeless Programs

Wisconsin's emergency shelter and homeless programs vary from community to community, reflecting individual local needs and resources. Many cities have homeless or emergency shelter task groups, known as Continuums of Care (COC), that coordinate local homeless housing and service activities. Milwaukee, Madison, Appleton, Fond du Lac, Racine, Green Bay, and Kenosha are a few of the cities that have active homeless organizations. A number of county-wide COCs are also available. In addition, a number of the Wisconsin Community Action Agencies coordinate the COCs on a multi-County level. Emergency shelter programs are funded through a combination of local government funds and significant local private cash and volunteer contributions.

In 2004, the shelter programs funded by Federal funds or programs and the State of Wisconsin (Emergency Shelter Grant [ESG], Shelter Subsidy Grant Program [SSSG], Supportive Housing Program [SHP], and Housing Opportunities for People With Aids [HOPWA]) provided an estimated 476,000 shelter nights (one night of shelter for one person) for the homeless. Domestic abuse shelters

<b>Table 20. Wisconsin Emergency Shelter and Homeless Programs in 2004</b>			
<b>Type of Facility or Program</b>	<b>Number of Shelters/Programs</b>	<b>Number of Units</b>	<b>Number of Beds</b>
Emergency Shelters:			
Non-State Funded	19		150
State Funded	51		1,200
Domestic Violence Shelters	68		703
Transitional Housing	74*	408	1,494
Continuum of Care Supportive Housing		408	1,494
Voucher Program	64 State funded		2,814

Source: Wisconsin Department of Commerce

funded by DHFS provided 135,340 shelter nights in 2004. An estimated 34,000 individuals were served in the Department of Commerce, Bureau of Housing, funded programs. The average length of stay was 14 nights; however, the shelter stay ranges across agencies from one night to three months. Shelter providers have expressed concerns about the length of stay, particularly in family shelters, the increasing difficulty in accessing affordable rental housing, and the need for intensive supportive services for families with more complex problems.

Since the initiation of Wisconsin Service Point (WISP)<sup>xvii</sup>, the BOH is able to access data on the homeless population on an ongoing basis. Currently, there are over 130 agencies and 600 users provide information regarding the number of individuals using emergency shelter and transitional housing programs. Since the implementation of WISP, the BOH is also performing two point-in-time surveys each year, in the spring and fall, to determine the number and

demographic of the population being served on that day. The next point-in-time survey will be in January 2005 in compliance with HUD SHP requirements.

Approximately 80 local generic homeless programs exist in Wisconsin. More than half of these programs receive state subsidies or federal funds. Others programs are supported through public or private funds and may not provide shelter-use information to the Bureau of Housing.

Although shelter and service programs continue to expand, many needs are unmet. Many shelters turn away individuals or families for each individual or family they serve. The demographics of the homeless population continue to show an increasing number of families in need. In 2003, of the 34,678 individuals served in the Bureau of Housing funded programs, 57.0% were women, 41.6% were men, and 41.4% were children under 18 years of age. Additional demographic data on the homeless shelter population showed the following racial/ethnic background: 34.7% White, 24.6% Black, 9.4% Hispanic, 2.2% Native American, and 1.6% Asian.

Some families that have been forced to relocate have avoided homelessness by moving in with family or friends. Because this population is difficult to track, little data is available. The Bureau of Housing does not have a methodology in place for measuring the need for facilities and services for those individuals and families who are at risk of homelessness. However, the Bureau of Housing recognizes a significant number of persons are at risk of homelessness.

According to the 2000 U.S. Census data, 72.9% of households with extremely low incomes (<30% of the MFI), who do not receive housing subsidies, spent >30% of their income on rent and 53.2% have severe cost burden (spent >50% of income for housing). Severely cost-burdened households have little to spend on other basic needs. A survey conducted by the Wisconsin Department of Workforce Development (DWD) of individuals who left welfare in the first quarter of 1998 indicated that 27% of those interviewed had moved because they could not pay their housing costs. More than half were behind on their rent or house payments.

Among large family rental households with extremely low incomes, 82.0% pay >30% of their income for housing; 56.5% have severe cost burden. The latest U.S. Census also indicated that for households making ≤30% of the MFI, 91% of large families (in rental housing) are living in overcrowded households. The combination of a significant number of families living in overcrowded conditions, and also possibly paying >50% of their income for housing, translates into an increasing at risk population.

Data collected from the monthly shelter reports indicates the leading causes for the current homeless episode are low or no income, eviction, and/or family violence. These factors, plus the consistent increase in the number of homeless population over the past several years, lead us to the conclusion that the homeless population in Wisconsin has not yet peaked.

## **Vouchers**

United Migrant Opportunity Services (UMOS), several community action agencies, and a number of shelter programs provide vouchers to local hotels to homeless individuals and

families. In 2003, almost 5,000 persons were served through the use of vouchers. Several agencies use vouchers when their facilities are full or if the homeless person cannot be served in the shelter because of disabilities or illness. In more rural areas of Wisconsin, vouchers are used as an alternative to developing more expensive shelter facilities. When vouchers are used, other housing and social services are offered to the homeless individual or family as well. Vouchers may be provided by church groups, county Salvation Army contacts, police and sheriff departments, county human service departments, and community action programs, in addition to homeless shelter facilities.

In Milwaukee, Community Advocates is responsible for administering the voucher program. In 2000, Community Advocates issued 3,185 vouchers, 2,888 in 2001, 2,814 in 2002 and 1,851 in 2003. More than 250 families received emergency shelter services through the voucher program. A family is referred to Community Advocates by a phone call; if another shelter is not available in Milwaukee. Community Advocates works with the family to get members into a family shelter when an opening occurs or into more permanent housing. Twenty to 30% of voucher recipients go into more permanent housing with follow-up housing support services, and approximately 40% go to other shelter programs. A typical voucher stay is three to four days, while daily client contact is maintained, and housing, transportation, financial, and other needs are addressed.

Dane County's voucher program has been limited to 45 vouchers per month, and vouchers are good for up to 30 days. The number of vouchers was limited beginning in the early 1990s as a response to the accelerating cost associated with the increasing need for family shelter. The Salvation Army, the emergency shelter gatekeeper, reports that homeless people, who cannot be served because of the 45-voucher limit, are sleeping in its lobby every night. In addition, everyday, four to five families are encouraged to find housing with friends or family because the shelter capacity has been reached.

## **Issues Related to Subpopulations**

In this section information on homeless individuals was gathered from Wisconsin research studies and service provider surveys.

- *Children* – The Wisconsin Association of Runaway Services reports that annually 26,000 families in Wisconsin are confronted with a runaway child. The 22 runaway programs in the State annually serve over 2,400 youth face-to-face, provide counseling to over 1,700 families, and provide temporary shelter for approximately 800 youth. In 2003, 36.25% of the reported homeless population (>7,800 children) received emergency shelter services. Approximately 3,700 of the children were under the age of 6.
- *Veterans* – The Bureau of Housing began collecting specific data regarding veterans who use homeless shelters and services. In 2004, approximately 2 percent of the homeless population were veterans. Veterans tend to use the shelters for single individuals in the larger urban communities.

- *Ex-offenders* – Ex-offenders, a large percentage of whom are minorities, have particular difficulty finding housing and a stable income to pay for housing. In 2004, individuals leaving correctional facilities (ex-offenders) were approximately 1% of the homeless population.
- *Minorities* – African-Americans and other minorities are over-represented in the homeless population using generic shelters, but are under-represented in shelters serving specifically defined populations, such as victims of domestic abuse. In 2004, African-American individuals and families comprised 29% of generic shelter users, while only 5.7% of the State's total population is African-American. Hispanic and Asian households comprise 5.4% of the total State population; yet almost 11% of individuals and families using generic shelters belonged to the Hispanic and Asian minority groups.
- *Refugees* – Among the States, Wisconsin ranks second in Southeast Asian refugee populations in the country. Southeast Asian refugees often arrive with little or nothing of material value and are at great risk of becoming homeless if they do not receive the necessary support. Sometimes Southeast Asian refugees sponsor each other, and many families share one small dwelling. For some, a cultural expectation is to share housing, but the lack of economic self-sufficiency forces individuals and families to remain in those crowded situations. Some refugees, including Southeast Asian refugees, often find that the professional and occupational skills learned in their Country of origin do not transfer to available employment in the United States. Collecting statistics on exactly how many people lack housing is difficult because the refugees are resistant to being included in a census and do not welcome statistics collectors. Further, a secondary migration from their place of sponsorship may leave the refugees essentially homeless..
- *Persons with Language Barriers* – In metropolitan areas, for example, many homeless Hispanic individuals have had problems with landlords, which often are intensified by language barriers. English not speaking or those for whom English is a second language often face great challenges in navigating the social service system.
- *Migrant Workers* – In 2004, United Migrant Opportunity Services (UMOS) assisted approximately 7,200 migrant households, in addition to 485 seasonal farm worker households. UMOS estimated that of approximately 10,000 migrants in the State, it provides direct services to 60%. Although the peak season for migrants and seasonal farm workers in Wisconsin is May through August, many migrant workers come to Wisconsin earlier and stay longer. Increased migrant employment is accompanied by the increased need for homeless assistance. The wages and nature of the occupation, and the lack of sufficient numbers of affordable housing units, place migrant farm worker families at risk of homelessness. Some seasonal workers and their families would like to remain in the State, if transitional or permanent housing in the specific seasonal work areas of the State is available. Most migrants workers and seasonal farm workers who come to Wisconsin (90% to 95%) are Hispanic and mainly from Texas.
- *Native American Indian Tribes* – Eleven federally recognized Native American Indian tribes are in Wisconsin: Winnebago, Oneida, Stockbridge Munsee, Lac du Flambeau, Lac

Courte Oreilles, Red Cliff, Bad River, Menominee, Forest County Potawatami, Mole Lake, and St. Croix. A large number of Native American Indians have returned to the reservations over the past several years. However, because adequate housing is unavailable, the influx is contributing to numerous problems in domestic settings, such as increases in the rates of family violence, child abuse and neglect, alcohol and other drug abuse, and runaway incidents. For generations, adequate housing has been a problem on the reservations, and the growth in the numbers of returning individuals or families increased the overcrowding in existing family units. Several related families living in the same house is not uncommon. However, multiple families residing in the same home may be from necessity related to a lack of adequate housing and not from choice. A survey of tribal housing authorities indicated a need for adequate housing will continue to increase and funds are necessary to meet these needs. The problem is complicated by the nature of tribal land ownership on reservations, which precludes the use of many conventional real estate financing mechanisms. However, through coordinated efforts between the Bureau of Housing and HUD, more Wisconsin tribes are aware of, and have begun to apply for, federal housing programs, such as the HOME for Indian Tribes grant.

### **Social Services Programs**

Each Wisconsin county has social service programs in place that are available to individuals and families who are homeless. Emergency food and shelter services are available to family groups with children. The Emergency Assistance Homeless program has been an effective tool in assisting homeless families to obtain housing. The Emergency Assistance Program (EAP) provides up to \$150 for each eligible member of a homeless family. The EAP allows participation by a homeless family once in a three-year period and once a year for victims of domestic violence.

Since 1997, significant changes have occurred with the initiation of the Wisconsin Works (W2) program. Families that were formerly eligible for a monthly AFDC entitlement check must now be enrolled in the W2 program. In 2004, three percent of emergency shelter users indicated that they were W2 participants. The number of welfare participants has dropped dramatically and a coinciding decrease has occurred in the number of individuals in shelters who are employed. State shelter statistics indicate that the number of individuals in shelters earning a wage has decreased from 25% of the shelter population in 2003 to 12% of the population in 2004.

The State mandate for counties to provide general relief assistance to single eligible individuals has been eliminated, and, as a result, most Wisconsin counties no longer provide emergency assistance to single persons although a few counties have initiated local short-term assistance programs. These programs are generally tied to a potential eligibility by the individual for Supplemental Security Income (SSI) and may be time limited. As a result of this change and the elimination of Alcohol and Drug diagnoses as eligibility for SSI, the numbers of single individuals who are no longer eligible for benefits and are without income have increased. The percentage of individuals in the State shelter funded programs, who indicated they had no income, was 2.5% in 2004.

Alcohol and drug, as well as mental health, services are provided at the county level. Many homeless shelter programs have developed linkages with service providers and have made significant advances in assisting homeless persons with disabilities to access benefits through Social Security. Milwaukee has a very active outreach and community support program for homeless mentally ill individuals, which is nationally recognized as an effective services model.

Wisconsin has 16 Community Action Agencies (CAAs) and one migrant service agency (UMOS) serving most counties. Especially in rural areas of the State, these agencies are often the primary resource for homeless individuals or families. Various services – such as utility payment assistance, transportation assistance, veteran’s assistance, and utility disconnection assistance – are rendered.

The Department of Public Instruction (DPI) established a position within the Division of Handicapped Children and Pupil Services, Bureau of Pupil Services, to focus on issues that affect the education of homeless children and youth. This position, once established under the auspices of the Stewart B. McKinney Homeless Assistance Act, continues to provide for annual funding for a limited number of grant programs through the PATH program for school districts across the State to respond to the needs of homeless children.

The school districts are working closely with interested and involved community agencies and groups. School districts are establishing district-based, inter-agency advisory committees to address educational and related services to the homeless. Members of these committees usually include program administrators from special education, Chapter I, migrant education, bilingual education, school social workers, and so on. Inter-agency coordination addresses concerns related to the need to provide for continuity of instruction, recordkeeping (academic and health), employment training, and information sharing regarding available services, such as school meals, transportation, and health care, as well as parent involvement, housing, and social services.

Programs to prevent individuals and families at imminent risk of homelessness from becoming homeless are currently being addressed by various government and community-based agencies throughout the State. Many CAA organizations include programs to assist households in imminent danger of homelessness by providing assistance that would enable these families to remain in their current housing. Emergency Shelter Grants (ESG) funds, as well as the Bureau of Housing’s Housing Cost Reduction Initiative Program funds, are being used to help families at risk of homelessness due to eviction, foreclosure, or utility cutoff.

## **Homeless assistance and prevention programs**

Homeless assistance and prevention programs available to the State include:

**Emergency Shelter Grants (ESG) Program** – ESG grants are direct block grants to the State, as well as three entitlement jurisdictions in Wisconsin. Funds allocated to the State are distributed via a Request For Proposal (RFP) process to non-profits or units of local government. The shelter programs may include shelters or victims of domestic violence, runaway adolescents, or persons with disabilities, as well as generic shelter and transitional housing programs. Any

city, county, or private non-profit may apply for and receive funding for its homeless shelter or transitional housing program.

**HUD Continuum of Care (COC) Supportive Housing Program** – Beginning in 1997, the Bureau of Housing has participated in the HUD COC Supportive Housing Program. The proposals submitted each year have garnered from \$3.6 to \$5.7 million in grant funds to support a wide variety of transitional and permanent housing and supportive service programs for the homeless across the State. The funds originate from a national HUD competition and the grant proposal covers 69 counties and 13 entitlement communities. The Bureau of Housing's application process is coordinated with the Wisconsin Association of Community Action Programs (WISCAP), DHFS, and the Wisconsin Department of Veterans Affairs, as well as hundreds of local organizations. Beginning in 2004, awards under this program are spun off to the HUD Milwaukee Office for administration and oversight.

A significant secondary benefit of the COC has been the increased cooperation between provider agencies across the State. The COC has offered reinforcement in the form of additional funding that has resulted in better communication and collaboration between agencies and more effective and efficient service provision to homeless individuals and families.

**HUD Training and Technical Assistance Grant** – The Bureau of Housing makes use of the HUD Training and Technical Assistance funds for homeless program initiatives.

The State will continue to take advantage of all federal programs, such as the COC Supportive Housing Program, Housing Opportunities for People with AIDS (HOPWA), and other programs that may be created over the next five years. The Bureau of Housing will continue to advocate for Wisconsin's fair share of federal homeless and special needs housing.

## **Homeless programs and other special needs programs**

Homeless programs and other special needs programs, which are administered by the State to support homeless/special needs assistance and prevention activities, include:

**State Shelter Subsidy Grant Program** – This program provides up to 50% of an emergency shelter program's annual operating budget. Eligible applicants are a county or municipal governing body or agency, for profit entities, a Native American Indian tribal government, a community action agency, other private non-profit organization. However, only generic emergency facilities and voucher programs for homeless persons are eligible. The State's annual general purpose revenue (GPR) appropriation for this program is approximately \$1.1 million.

**Transitional Housing Grant** – This program funds a variety of mechanisms that will help a formerly homeless person or family achieve real, lasting economic independence. Funds may be used for housing costs, childcare, educational or vocational training, transportation, or other costs needed to assist the transitional housing participant in attaining self-sufficiency. Eligible applicants are government or private non-profit organizations that currently operate transitional



housing and support service programs. The State appropriates \$375,000 a year for this program and funding is combined with ESG funds.

**Interest Bearing Real Estate Accounts (IBRETA)** – Wisconsin statutes require real estate brokers to establish interest-bearing real estate trust accounts for the deposit of all down payments, earnest money deposits, and other trust funds received by the broker and related to the conveyance of real estate. On an annual basis, the interest from these IBRETA accounts is remitted to the State. Approximately \$200,000 to \$300,000 is remitted annually. The proceeds are used to make grants to organizations that provide shelter or services to homeless individuals or families. These funds augment existing emergency and transitional homeless programs.

**Mental Health/Homeless** – The State administers funds currently established under the PATH program. Funds are allocated to 11 Wisconsin counties that are each identified as having at least 1% of the State's homeless population. Beginning in 2000, the funds were allocated on a formula basis to the counties that participated in the Continuum of Care Shelter + Care program.

**Emergency Assistance Program (EAP)** – The State has established a \$3 million Emergency Assistance Fund for disasters in communities eligible to participate in the Small Cities Community Development Block Grant (CDBG) Program. CDBG-EAP funds may be used to repair uninsured housing damage caused by floods, tornadoes, or other disasters. The funds may be used for disaster-related housing repairs and to replace housing units severely damaged in the disaster. CDBG-EAP funds are also available to assist local units of government to make repairs to public facilities (streets, curbs, dams, etc.) damaged by the disaster. CDBG-EAP funds are intended to primarily benefit low- to moderate-income households.

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<sup>i</sup> For funding purposes, the State of Wisconsin is divided in three geographic areas: Milwaukee Metro, Other Metro, and Balance of State.

<sup>ii</sup> U.S. Census Bureau, American FactFinder: Poverty Status in 1989 by Age, Persons for whom poverty status is determined. Data Set: 1990 Summary Tape file.

<sup>iii</sup> U.S. Census Bureau, Prepared by Demographic Services Center, Wisconsin Department of Administration: Poverty Status of Persons in 1999 by Age for Wisconsin Counties, April 1, 2000.

<sup>iv</sup> Lacking hot or cold piped water or a flush toilet, or lacking both bathtub and shower, all inside the structure and for the exclusive use of the unit, unless there are two or more full bathrooms.

<sup>v</sup> A housing unit has complete kitchen facilities when it has all of the following: kitchen sink, burners, cook stove, or microwave oven, and refrigerator.

<sup>vi</sup> Housing problems include cost burden  $\geq 30\%$  of income and/or overcrowding and/or without complete kitchen or plumbing.

<sup>vii</sup> Universe: Vacant housing units.

<sup>viii</sup> Overcrowding:  $> 1.01$  persons per room; severe crowding:  $> 1.51$  persons per room.

<sup>ix</sup> Median Household Income in the past 12 months (in 2003 inflation-adjusted dollar).

<sup>x</sup> Wisconsin Federally Assisted Rental Housing Inventory Projects by County.

<sup>xi</sup> "Tenant's ability to pay rent" here means an amount not to exceed 30% of income.

<sup>xii</sup> Preserving Wisconsin's Quality Affordable Rental Housing: Report of the Governor's Task Force for Housing Preservation – October 2004.

<sup>xiii</sup> Joint Center for Housing Studies of Harvard University: The State of the Nation's Housing, 2004, Page 1.

<sup>xiv</sup> Source: U.S. Census Bureau, "Historical Tables from the Housing Census."

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<sup>xv</sup> The methodology used to count homeless persons was based primarily on point-in-time monthly census reports from 36 shelter programs and the quarterly reports submitted by HUD ESG-funded agencies. In this methodology, data was collected from about half of the shelter programs. The Bureau of Housing acknowledged its need for empirical data about homeless families and individuals, including, to the greatest extent possible, an unduplicated count and tracking of client outcomes to measure program efficacy. In 2001, the Bureau has implemented Wisconsin Service Point (WISP), a web-based HMIS to better understand the scope of homeless in Wisconsin. Since the site became available in 2001, more than 600 users working at 125 partner agencies have created more than 100,000 records.

<sup>xvi</sup> The Bureau of Housing is responsible for the administration of all state-level homeless assistance programs including: HUD Emergency Shelter Grant (ESG), Housing Opportunities for People with AIDS (HOPWA), State Shelter Subsidy Grant (SSSG), Transitional Housing Program (THP), and Balance of State Continuum of Care Supportive Housing Program (SHP) (69 of 72 counties).

<sup>xvii</sup> WISP is a web-based Homeless Management Information System (HMIS) implemented by the Wisconsin Bureau of Housing (BOH) to better understand the scope of homelessness in Wisconsin, to improve service delivery to homeless persons, and to evaluate the effectiveness of service interventions.